

**Rep. John Curtis (UT-3)**  
**Statement before the Joint Select Committee on Budget Process Reform**  
**Budget and Appropriation Reform: Member Day**  
**June 27, 2018**

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Thank you, Chairman Womack and Co-Chair Lowey for holding today's hearing on reforms to Congress' budget and appropriations processes. The American People are justifiably frustrated with Congress and our inability to do our most basic job: pass a budget and fund the government. I applaud the work of this Joint Select Committee for holding this critically important hearing to look at potential reforms to fix our broken budget and appropriations process. I find myself constantly thinking of you and your mission. I hope you can feel me in the background cheering for your success.

As I am relatively new to Congress, many members of this Committee likely do not yet know me. So, I'll take a brief moment to introduce myself.

I'm John Curtis, and I have the great honor of representing Utah's Third Congressional District. Before being elected last November in a special election, I was the Mayor of Utah's third largest city, Provo, Utah, for eight years. Like many of you, having served in local or state government, I have had to make the hard decisions needed to balance a budget—especially when that involved cutting spending. I'm proud to say that as a Mayor, we balanced our city's budget every single year. Including my first year in 2010 when we were required to close an 8% gap between revenues and expenses. I'm proud to say that not only did we do it without increasing taxes but we also increased the level of services delivered to our residents and improved employee morale.

Those who know Utah know that some of Utah's core values are fiscal responsibility and restraint.

These Utah values of fiscal responsibility and restraint are best demonstrated by the fact that Utah's State Constitution requires, by law, that the state government balance its budget every year. To maintain a balanced budget we rely on many good policies and restraints on law makers but I'm here today to share with you only one of those practices that, I believe, if adopted by the Federal Government could dramatically change the quality of our Federal budgeting process.

The idea was born in Utah when a former Governor threatened to veto the entire budget if the legislature didn't include her pet project.

The idea is not unique to Utah and it's not revolutionary. In fact, it seems almost too simple. In Utah we call it the Base-Line Budget. At the first of every legislative session the legislature adopts a Base-Line Budget. This is largely the previous year's budget. Therefore, the default if we fail to come to agreement is the continuation of last year's budget. Natural inflation puts pressure on the legislative body to come up with a new budget, but while we do so we are

under no threat of a government shut down. Think of it as a “kinder, gentler” Continuing Resolution. It allows the important wheels of government to keep churning while we, without pressure, study and deliberate without throwing 1000s of government responsibilities into a tailspin.

I’ve been in Congress for only 7 months and I’ve voted on 4 continuing resolutions and I’ve seen two shut downs. Each time I have felt like a hostage with no option. As members of Congress we are given a several hundred-page spending bill, often with a day or so to consider it, and told that if they don’t vote in support of the legislation the government will likely shut down. When this happens there is simply no way to do our jobs as promised back home.

By passing a “base-line budget,” or essentially adopting the previous year’s budget at the beginning of the legislative session, the state legislature is able to make meaningful adjustments to spending levels for the next year’s budget without the threat of a government shutdown if they fail to come to an agreement.

Utah is doing a lot of things right, and I believe this “base-line budget” process is one of many things that Congress can learn from states like Utah. I strongly recommend that this select committee study Utah’s base-line budget process and consider recommending that it be adopted it in Congress’ budgeting and appropriations processes moving forward.

Thank you for the opportunity you’ve given me to testify today.

With that I yield my time.

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Fortunately, things are done at least somewhat more responsibly in Utah's State Legislature. Early in every annual general session of the Utah State Legislature, there is effectively a "Base-Line Budget" passed, and it is largely based on the previous year's budget. In this way, there is no government shutdown in Utah if there is failure to agree on various details of a more-refined budget. There is still the "Base-Line Budget" in effect.

I believe we should amend joint US House and Senate rules so that a Base-Line Budget for the upcoming fiscal year—largely based on the current year's ongoing appropriations—is considered and brought to a vote well ahead of the beginning of the new fiscal year . . . and hopefully passed.

If necessary for the sake of some minimal degree of fiscal responsibility, the BaseLine Budget would include across-the-board cuts of almost all line items other than interest on the national debt. (Of course, spending on interest on the national debt can also be cut . . . but that would be the dictionary definition of default and breach of contract . . . unless we can have the Federal Reserve swing into action . . . but that has its own risks too.)

With passage of a hopefully-humble Base-Line Budget, there is no government shutdown threat for another year, and refinement of that budget may be accomplished, including both spending cuts and spending increases, primarily by deliberation and debate . . . and less, or not-at-all by extortion.

Across-the-board spending cuts, or even spending freezes if there is sufficient economic growth, might be enough to balance the budget. But there are arguably some areas of spending that merit spending cuts more than others. And persistent cuts in unneeded/inappropriate spending, it is hoped, can be a stepping stone to additional tax relief. Some of these will be discussed in the next section, and I would envision and hope that every Base-Line Budget would be refined according to the principles discussed in the next section, "Proposal for spending cuts."

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"I think the base budget process is pretty ingenious. It's something the state started under Gov Walker, when she threatened to veto the entire budget if the Legislature didn't fund her pet project. We now pass essentially the budget from last year early on in the process then work on new spending after that. It's similar to continuing resolutions in Congress but it has a more formal weight. Maybe CRs could be turned into a base budget."

"The other thing we do that the feds don't do is have a rainy day fund that we can tap if needed. It's like a family's emergency fund. People at the federal level usually look down on rainy day funds since they can just "print money". However, printing money is really just deficit spending. In other words, states have an emergency fund while the feds are spending on their credit card, at the Bank of China."